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QUANTUM GRAPHITE

MARKET RELEASE
For Immediate Release
30 January 2026

December 31 2025 Quarterly Report and Appendix 5B

Highlights

- Renewal of Uley 2 Project Mining Leases for a further term of 21 Years
- Presentation delivered to the 2025 Singapore Scientific Conference
- Uley 2 Project financing - option to expand transaction terms to include totality of downstream activities, i.e., processing and refining
- Development of Quantum-Sunlands Eyre Peninsula Graphite Hub – preferred sites selected

Renewal of Uley 2 Project Mining Leases for a Further Term of 21 Years

During the period, the South Australian Department of Energy and Mining renewed the Company's Uley 2 Project Mineral Leases, ML5561 and ML5562, for a further term of 21 years. The renewal provides a strong foundation for an extended project life beyond the Uley 2 and Uley 3 mineralisation areas encompassing Uley 3 South, Uley 4, Uley 5 and Uley 6 (Fig. 1).



Fig. 1

The Company's package of mineral tenements represents the largest flake graphite mineralisation in the Southern Eyre Peninsula. The grant of EL7019 in 2024 followed the extensive 2023 and 2024 exploration studies utilising drilling data and the largest tenements-wide geophysics surveys ever conducted on the Eyre Peninsula.

The Company's Uley region exploration plan, the Uley Mines Plan (Uley 2 to 6) and the broader district (i.e., Mikkira) regional exploration plan have been the subject of previous releases to the market.

ABOUT QUANTUM GRAPHITE LIMITED

QGL is the owner of the Uley flake graphite mineral deposits located south-west of Port Lincoln, South Australia. The company's Uley 2 project represents the next stage of development of the century old Uley mine, one of the largest high-grade natural flake deposits in the world. For further information, qgraphite.com

ABOUT SUNLANDS ENERGY CO.

Sunlands Energy Co. is the leading developer of thermal energy storage technology (TES Graphite Cells) designed to drive commercial, industrial and utility-scale steam turbine generators. The company's TES Graphite Cells are capable of restoring baseload generation, delivering critical synchronous support to grid networks and eliminating the large-scale curtailment of renewables generation. For further information, www.sunlandsco.com

ULEY 2 - EXISTING PROJECT (2027 - 2038)

The Uley 2 Project includes the Uley 2 Mine and the Uley 3 Mine.

- All permitting including the environmental approvals have been obtained
- All infrastructure requirements have been met, including power (33kVa supply) and water
- Provides the initial 12-years' supply of flake graphite ore to the Sunlands Pure Concentrator

ULEY 3 SOUTH, 4, 5 and 6 (2038 - c2070)

These mines will be progressively developed as the Uley 2 Project nears completion.

- Uley 6 is likely to be the next development in light of proximity of the Concentrator servicing the Uley 2 Project (Uley 2 & Uley 3), and the efficiencies associated with the use of existing infrastructure

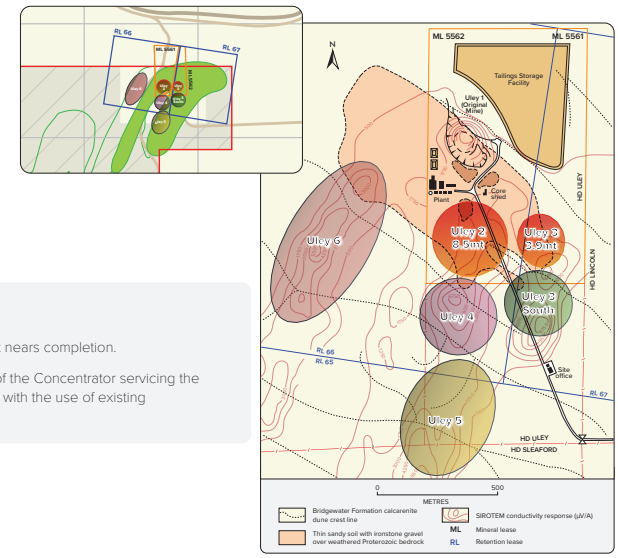


Fig. 2

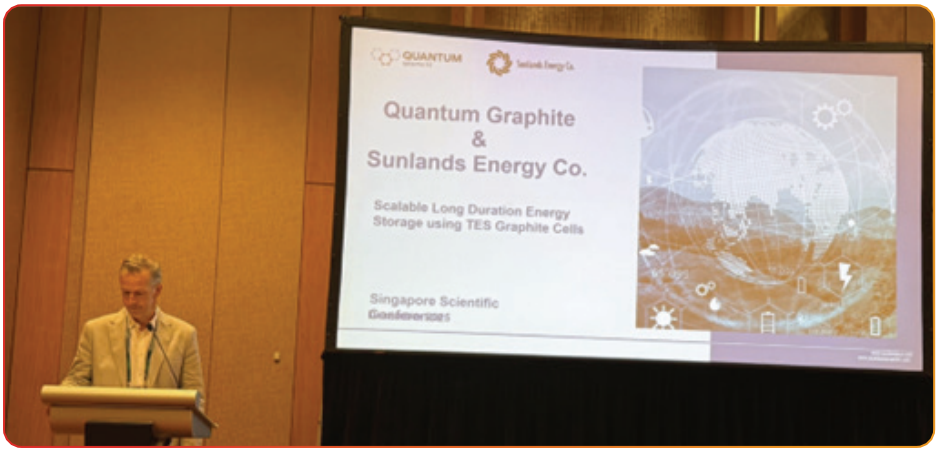
The Uley Mines Plan is critical to the Company's staged expansion plans that follow the Uley 2 project development (Fig. 2).

The Uley Mines comprise several discrete, highly mineralised envelopes all located within a 1200-metre radius, representing a potential resource of more than 5 million tonnes of natural flake – equivalent to 15 times the annual ex-China global flake graphite production.

Presentation delivered to the 2025 Singapore Scientific Conference

In December 2025, Director Michael Wyer delivered a presentation to the 2025 Singapore Scientific Conference for one of the key conference topics *Transformative Energy Solutions*.

Michael's presentation, *Scalable Long Duration Energy Storage using TES Graphite Cells*, detailed the Sunlands Energy Co.'s long duration energy storage technology. Sunlands Power, the Company's joint venture with Sunlands Energy Co., is responsible for the manufacture of TES Graphite Cells.

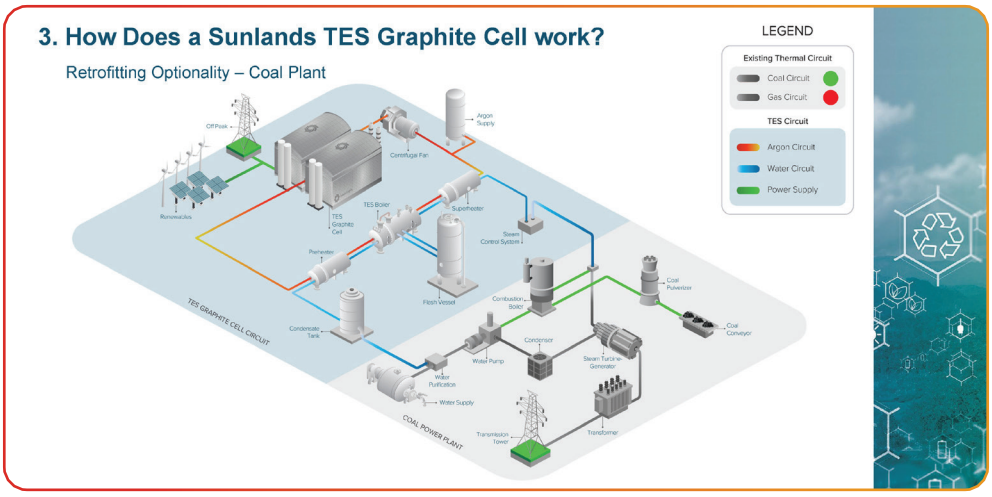


The conference overarching theme, **Forging A Sustainable Future Through Science & Technology**, addressed key sustainability challenges in energy, environment, health, and manufacturing. The annual conference is organised by the Agency for Science, Technology and Research (A*STAR), with support from National Research Foundation (NRF), and in partnership with Nanyang Technological University, Singapore (NTU), National University of Singapore (NUS) and other Singapore research ecosystem partners.

Michael's presentation covered some of the commercial applications of TES Graphite Cells including the retrofitting of existing coal fired power stations. The unique feature of TES Graphite Cells to store heat at very

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high temperatures underpins the technology's capability to drive the same utility scale steam turbine generators utilised in coal fired power stations.



Uley 2 Project Financing Update

In the prior period, the Company announced that certain changes to the Uley 2 Project financing structure were presented by prospective financiers for the Company's consideration. The changes to the structure require a larger funding commitment but would significantly strengthen its competitive profile. The Board has acknowledged that the changes, if implemented, would result in the financing of a single economic and legal enterprise created for all Uley flake processing and refining activities (i.e., excluding mining).

Integration delivers a number of benefits, especially the substantial operational efficiencies derived from the removal of several steps in the processing and refining pathway. This translates to materially lower costs and a more resilient supply chain that offers customers superior access to scalable feedstock, especially within the Li-ion battery anode supply chain.

The Company has deferred a final decision on the matter for 2 months, i.e., the end of February 2026, to ensure a workable resolution of the regulatory issues applying to the integration of activities. Negotiations with the prospective financiers will progress to the next stage once the issues are resolved and the structure finalised. Until the end of February 2026, the prospective financiers will focus on settling their remaining information requirements.



Sunlands Eyre Peninsula Graphite Hub (EPG Hub)

The planning process for the EPG Hub continues its focus on the identification of appropriate sites to meet the key criteria principally land area and a location that ensures port and infrastructure access. In the prior period, a list of several suitable sites was shortlisted with the assistance of the Port Lincoln City Council and the Department of State Development.

These sites were the subject of further due diligence during the period and two preferred sites were selected. Negotiations with site landowners and other relevant stakeholders has now commenced with the assistance of local consultants.

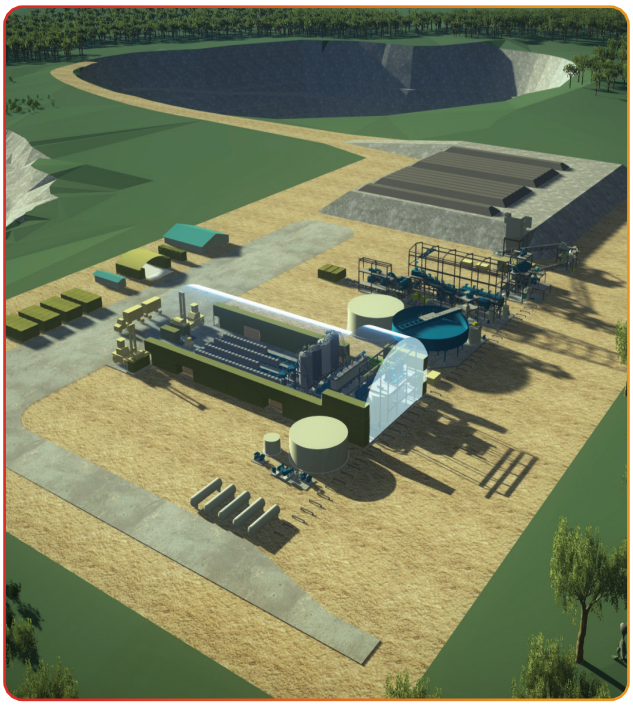
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Uley 2 Phase 1 Mining Study and Feasibility Summary Financial Metrics (updated)

Total undiscounted cash flow	A$990.4 million[1]
Crusher feed	1,200,00 tpa
Graphitic carbon grade	11.89%
Graphitic carbon recovery	84%
Concentrate purity	94% graphitic carbon
Capital expenditure	A$152.7 million
Processing cost (PCAF)	A$236.05 per tonne (inclusive of admin)
Mining cost (MCAF)	A$2.5 per tonne milled at surface plus 5c for every 4m
Production	100,000 dmt per annum
Product Cost (Av LOM)	US$401.14 dmt (inclusive of drying and bagging)
Product Price (Ex-works)	US$1,225 dmt

[1] Includes JORC 2012 Reserves and Resources



Schedule of JORC 2012 Minerals Reserves and Resources

JORC 2102 Mining Study and Ore Reserve Statement, November 2019[2]

	Classification	Tonnes (kt)	Total Graphitic Carbon (%)
Uley 2	Proved	811	11.66
Uley 2	Probable	3,191	11.95
	Total	**4,003**	**11.89**

JORC 2012 Mineral Resource Estimate, November 2021[3]

Uley 3	Inferred	900	6.6
	Uley 3 Total	**900**	**6.6**
Uley 2	Measured	800	15.6
	Indicated	4,200	10.4
	Inferred	1,300	10.5
	Uley 2 Total	**6,300**	**11.1**
Uley Project Total	**TOTAL**	**7,200**	**10.5**

[2] Released to the market on 1 December 2019
[3] Released to the market on 18 November 2021

Schedule of Tenements (ASX Listing Rule 5.3.3)

Tenement	Tenement Type	Interest	Changes during the Quarter
ML5561[4]	Mining Licence	100%	Nil
ML5562[4]	Mining Licence	100%	Nil
RL66[5]	Retention Licence	100%	Nil
RL67[5]	Retention Licence	100%	Nil
EL6224[5]	Exploration Licence	100%	Nil
EL7019[5]	Exploration Licence	100%	Granted 10 October 2024

[4] Registered in the name of Quantum Graphite Operations Pty Ltd
[5] Registered in the name of Quantum Graphite Explorations Pty Ltd

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Uley Region Location and Resource Expansion Priorities

Priority 1 - Uley 2 Project Expansion

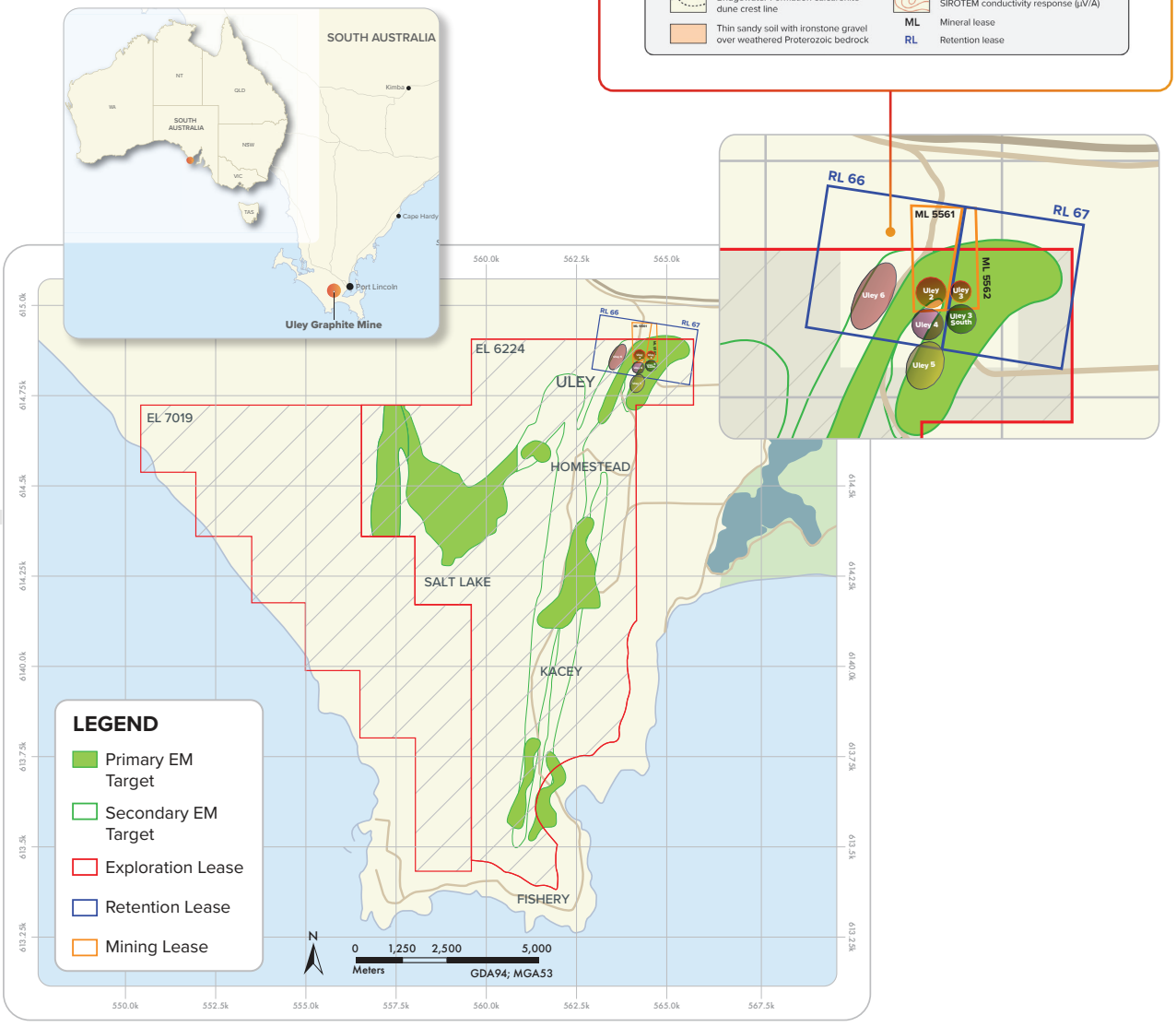
- Uley 4 Extension drilling to 50m-by-50m intervals
- Infill drilling at Uley 3

Priority 2 - Uley 2 Project Expansion

- Uley 3 South Extension drilling to 50m-by-50m intervals

Priority 3 - Uley Region Resource Definition

- Uley 6 geophysical anomaly target
- Uley 5 beyond Uley 4 along strike of the geophysical anomaly



Company tenements including highlighted mineralised zones

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Corporate Information and Announcements

As at 31 December 2025 the Company had 352,600,000 ordinary shares on issue and 1,477 shareholders. The top 20 shareholders held 62.13% of the issued ordinary shares in the Company. As at 31 December 2025 the Company held cash at bank of $1,702,519.41. As at 30 January 2026 the Company held cash at bank of $1,509,051.77. Related party payments in the amount of $429,000 were made in the period. These payments were made to SC Capital Pty Ltd ($82,500 for technical services), Chimaera Capital Limited ($280,500 for asset management services) and WyerPlanVC Pty Ltd ($66,000 for consulting services).

Competent Person's Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters relating to Mineral Resources is based on, and fairly represent, the Mineral Resources and information and supporting documentation extracted from the reports prepared by a competent person in compliance with the JORC Code (2012 edition) and released to the ASX (including under the company's previous code, VXL on 17 December 2014, 5 May 2015 and 15 May 2015 respectively).

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management, that could cause QGL's actual results to differ materially from the results expressed or anticipated in these statements.

QGL cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. QGL does not undertake to update or revise forward- looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law.

FOR FURTHER INFORMATION CONTACT:
Company Secretary
Quantum Graphite Limited
E: info@qgraphite.com

ABOUT EPG HUB

The EPG Hub is a regional logistics hub to be developed for the Eyre Peninsula's flake graphite producers and selected downstream industries. The centrepiece of the hub is the concentrate supply from the Company's fully permitted Uley 2 project and the manufacture of long duration thermal energy storge cells by Sunlands Energy Co. utilising its thermal energy storage technologies. The hub's location is well suited to servicing all major markets including North America, Europe and the Middle East and the emerging Li-ion battery centre in Central Java

ABOUT SUNLANDS POWER

Sunlands Power is our joint venture with Sunlands Energy Co. for the manufacture of coarse natural flake based thermal storage media and the manufacture of TES Graphite Cells. The flake for the storage media will be sourced exclusively from the QGL's Uley mine. The manufactured media will be fitted within TES Graphite Cells and the completed cells delivered to Sunlands Co. for deployment as a grid connected long duration energy storage solution. For further information, www.sunlandsco.com

ABOUT SUNLANDS PURE

Sunlands Pure is Quantum Graphite Limited's (QGL) purification technology partner. It was established by the Sunlands Energy Co. following agreement with QGL for the specific purpose of undertaking all downstream purification of Eastern Eyre Peninsula flake graphite concentrate

ABOUT LDES

A scalable energy storage system that can store energy predominantly from renewable sources for more than 12 hours and deliver dispatchable, inertia restoring energy to grid networks as required especially when renewables generation is not available. LDES is the critical solution underpinning the decarbonisation of grid networks.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Quantum Graphite Limited

ABN	Quarter ended ("current quarter")
41 008 101 979	31 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(52)	(145
	(c) production	-	-
	(d) staff costs	(75)	(150)
	(e) administration and corporate costs	(892)	(1,484)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,019)**	**(1,779)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(51)	(102)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(51)**	**(102)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,000	2,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**2,000**	**2,000**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	772	1,583
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,019)	(1,779)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(51)	(102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,000	2,000

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,702**	**1,702**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	-	-
5.2	Call deposits	1,702	1,702
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,702**	**1,702**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(429)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	8,526	8,526
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	8,526	8,526

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

The finance facility was provided by Chimaera Capital Limited at an interest rate of 11.75%, the maturity date has been extended to the earlier of 1 October 2026 or the date of any capital raising being undertaken by the Company.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,019)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(51)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,070)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,702
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,702
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.59

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. The Company has the capacity to reduce or defer cash outflows whilst maintaining its key operating activities.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company has taken steps to ensure it can fund its operations. These steps include the financial support from its principal shareholder, Chimaera Capital Ltd and the raising of additional equity. If an equity raising was pursued by the Company, the Board considers the success of such a capital raising to be highly likely.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The Company's operations will continue on substantially the same basis as recent quarters subject to the ongoing review, and if necessary, reduction or deferral, of non-essential cash outflows.	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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